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February 20, 2024

Hon. Michael E. Wiles
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Courtroom 617
New York, NY 10004-1408

Re: In re 4D Factory, Inc., et al., Case No. 23-11618 (MEW)

Dear Judge Wiles:

My firm is counsel to Cort Javarone, Scott Honour, and Steve Horowitz (the “Directors”), each directors of Neon Machine, Inc. (“Neon Machine”) and defendants in the action currently pending before the Delaware Chancery Court captioned *Mark Long, et al. v. Cort Javarone, et al.*, Case No. 2023-1186 (the “Delaware Action”).

At a hearing in the above-referenced chapter 11 cases on February 15, 2024, Your Honor considered the motion filed by the Minority Shareholders (Mark Long, Colin Foran, Naomi Lackaff, Aaron Nonis, Don Norbury, Mark Yeend), Polychain Ventures II LP, Polychain Ventures II (Parallel) LP, Griffin Gaming Partners II, L.P., and Griffin Gaming Partners II Side Fund, L.P. (collectively, the “Movants”) seeking relief from this Court’s *Order Granting Limited Relief from Stay* (ECF No. 50).

During the hearing, Your Honor proposed that you would be willing to resolve the pending issues before this Court and before the Delaware Chancery Court on an expedited basis upon the consent of Movants, the Directors, and Debtors 4D Factory, Inc. and The 4D Factory LLC (collectively, the “Parties”). The Directors agree with this approach, and told Movant’s counsel as much.

The Directors will agree that this Court may resolve (i) all disputes among the Parties that have been, or could be raised in the Delaware Action and (ii) all disputes among the Parties at issue in the bankruptcy cases, including but not limited to the occurrence of “Network Launch,” voting rights, and claims related to SHRAP Tokens. The Directors consent to this Court’s jurisdiction and reserve all rights to raise other claims or counterclaims. This approach differs from Movants’ proposal which seeks to limit the Court to consider only the Network Launch dispute and require that consideration of the other disputes only be heard “if warranted.” The Directors believe that it is inappropriate and premature to establish such parameters at this stage.



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In order to facilitate expeditious resolution of these issues, the Directors will need to perform discovery. The Directors are amenable to a streamlined discovery and briefing schedule upon consultation with Movants' counsel. As of the date of this letter, the Directors are awaiting Movants' responses to Requests for Production ("RFPs") and Interrogatories ("ROGs") in the Delaware Action, which were served on them on February 5, 2024. The Directors currently anticipate the need to depose Mark Long and Andrew Grossman, and conduct an additional round of RFPs, ROGs, and Requests for Admission following receipt of Movants' initial responses, but reserve all rights to seek additional discovery as necessary.

We are available at Your Honor's convenience for a conference. Thank you for your prompt attention to this matter.

Sincerely,

/s/ Allan E. Anderson

Allan E. Anderson

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